❖ **Commonwealth Center**
FOR HIGH-PERFORMANCE ORGANIZATIONS, INC.

MODULE III: LEADERSHIP FUNCTIONS

BUILDING HIGH-PERFORMANCE ORGANIZATIONS FOR THE TWENTY-FIRST CENTURY

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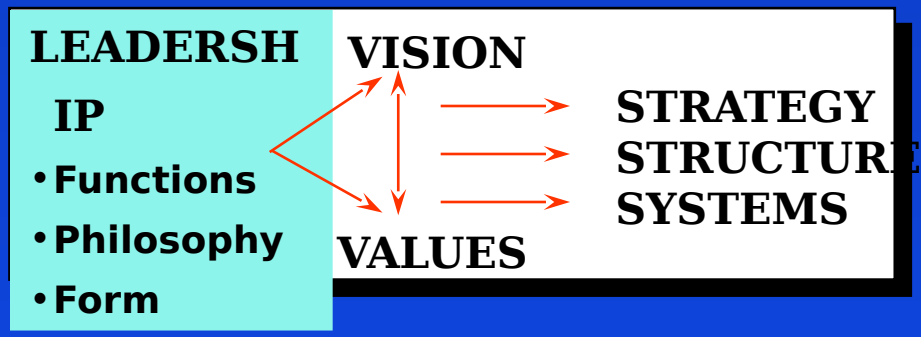
Building High-Performance Organizations



LEADERSHIP

- **Functions**
- **Philosophy**
- **Form**

LEADERSHIP FUNCTIONS

Leadership vs. Management

Leaders and leader/managers distinguish themselves from the general run of managers in the following ways:

- **They think longer-term.**
- **They look beyond the unit they head and grasp it relationship to larger realities.**
- **They reach and influence constituents beyond their jurisdictions, beyond boundaries.**
- **They put heavy emphasis on the intangibles of vision, values, and motivation and understand intuitively the non-rational and unconscious elements in the leader-constituent interaction.**
- **They have the political skill to cope with the conflicting requirements of multiple constituencies.**
- **They think in terms of renewal -- both personally and organizationally.**

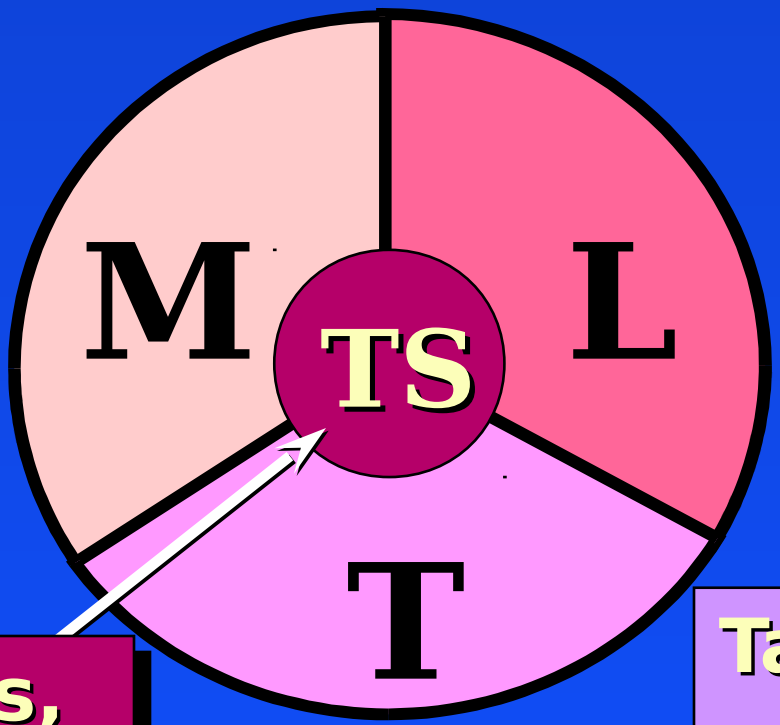
From John W. Gardner, Leadership Papers, "Number 1: The Nature of Leadership," (The Independent Sector, January, 1986), p. 8

LEADERSHIP FUNCTIONS

"Work" is Holistic in the Networked Talent Model

Management
Skills, Abilities, and Behaviors

- Causal Modeling/Systems Analysis
- Performance Planning
- Project Management and Execution
- People Development
- Plan Implementation, Monitoring, and Adjustment
- Outcome/Results



Leadership
Skills, Abilities, and Behaviors

- Strategic Customer Value Analysis
- Vision/Values to Strategy/ Structure/Systems
- Integration / Stewardship
- Learning/Thinking/Changing/ Renewing

Team Skills,
Abilities, and Behaviors

- see the following slide for these

Task/Technical
Skills, Abilities, and Behaviors

LEADERSHIP FUNCTIONS

" The Work of Leadership"

- Strategic Customer Value Analysis
- Vision / Values Connected to Strategy, Structure, and Systems
- Suprasystems Integration / Stewardship
- Learning, Thinking, Changing, Renewing
- Enabling, Empowering, and Energizing

LEADERSHIP FUNCTIONS

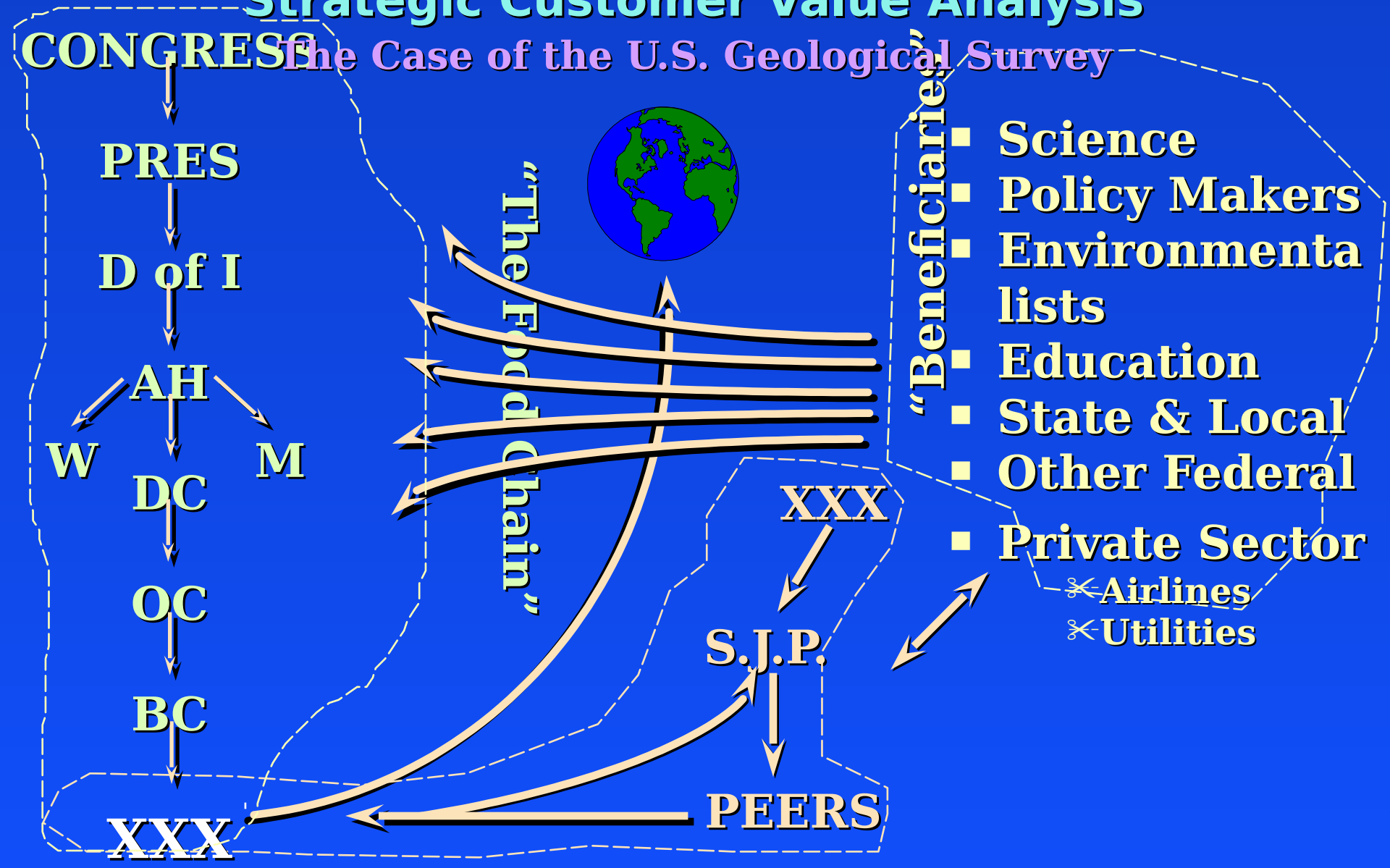
Strategic Customer Value Analysis

- **Who are/should be our customers?**
- **What do they value (want / need) now, and what will they value in the future?**

LEADERSHIP FUNCTIONS

Strategic Customer Value Analysis

The Case of the U.S. Geological Survey



LEADERSHIP FUNCTIONS

Vision / Values

- What does ***high-performance*** mean for us, what ***higher moral purpose*** are we trying to serve, and what ***values*** will guide us in achieving it?

- Our vision/values must be both ***articulated and lived***, and our vision must be translated into a ***shared action plan.***

LEADERSHIP FUNCTIONS

Leadership and Vision

"Great leaders...inspire their followers to high levels of achievement by showing them how their work contributes to worthwhile ends. It is an emotional appeal to some of the most fundamental needs - - the need to be important, to make a difference, to feel useful, to be part of a successful and worthwhile enterprise."

Warren Bennis and Bert Nanus, Leaders (NY: Harper & Row, 1985)

LEADERSHIP FUNCTIONS

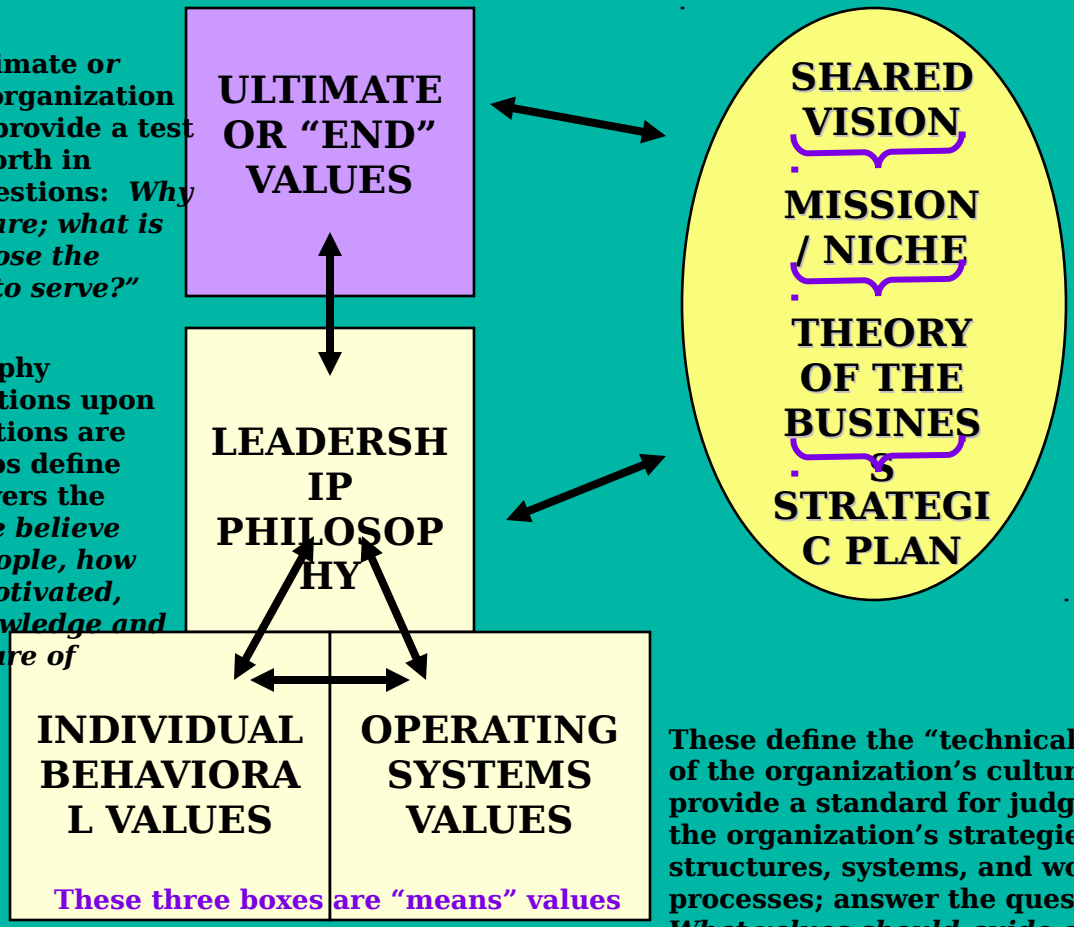
The "Intangibles" of Vision, Values, and Motivation

"If you want to move people, it has to be toward a vision that's positive for them, that taps important values, that gets them something they desire, and it has to be presented in a compelling way that they feel inspired to follow."

Martin Luther King

LEADERSHIP FUNCTIONS

Developing a Shared Vision and Set of Organizational Values



These describe the ultimate or "end" values that the organization is seeking to achieve; provide a test of an organization's worth in society; answer the questions: *Why are we doing what we are; what is the higher moral purpose the organization is trying to serve?"*

A statement of philosophy explaining the assumptions upon which management actions are based and judged; helps define the work culture; answers the questions: *What do we believe about the nature of people, how people choose to be motivated, the distribution of knowledge and creativity, and the nature of work?*

These help define the "human side" of the organization's work culture; provide a standard for judging interpersonal behavior; answer the questions: *"How are we going to treat each other and, by extension, our customers?"*

These define the "technical side" of the organization's culture; provide a standard for judging the organization's strategies, structures, systems, and work processes; answer the question: *What values should guide our operating processes?*

VISION: an image of our desired future state; a direction for the organization; it must inspire members of the organi-zation and galvanize them into coordinated action directed at a common future; units at each level must "nest" into the higher level vision; answers the questions: *What is "high performance" for us; according to whom; and how would we know if we were? What is our special or unique niche? Who would miss us if were were gone?* A shared vision allows us to proceed to a discussion of mission/niche, theory of the business, etc.

LEADERSHIP FUNCTIONS

The Role of Vision / Values in the Phoenix Police Department

Before you do anything, ask yourself these questions:

- **Is it right for the community?**
- **Is it right for the department?**
- **Is it ethical and legal?**
- **Is it consistent with our values and polices?**
- **Is it something I'm willing to be accountable for?**

LEADERSHIP FUNCTIONS

The Role of Vision / Values in the Phoenix Police Department

continued

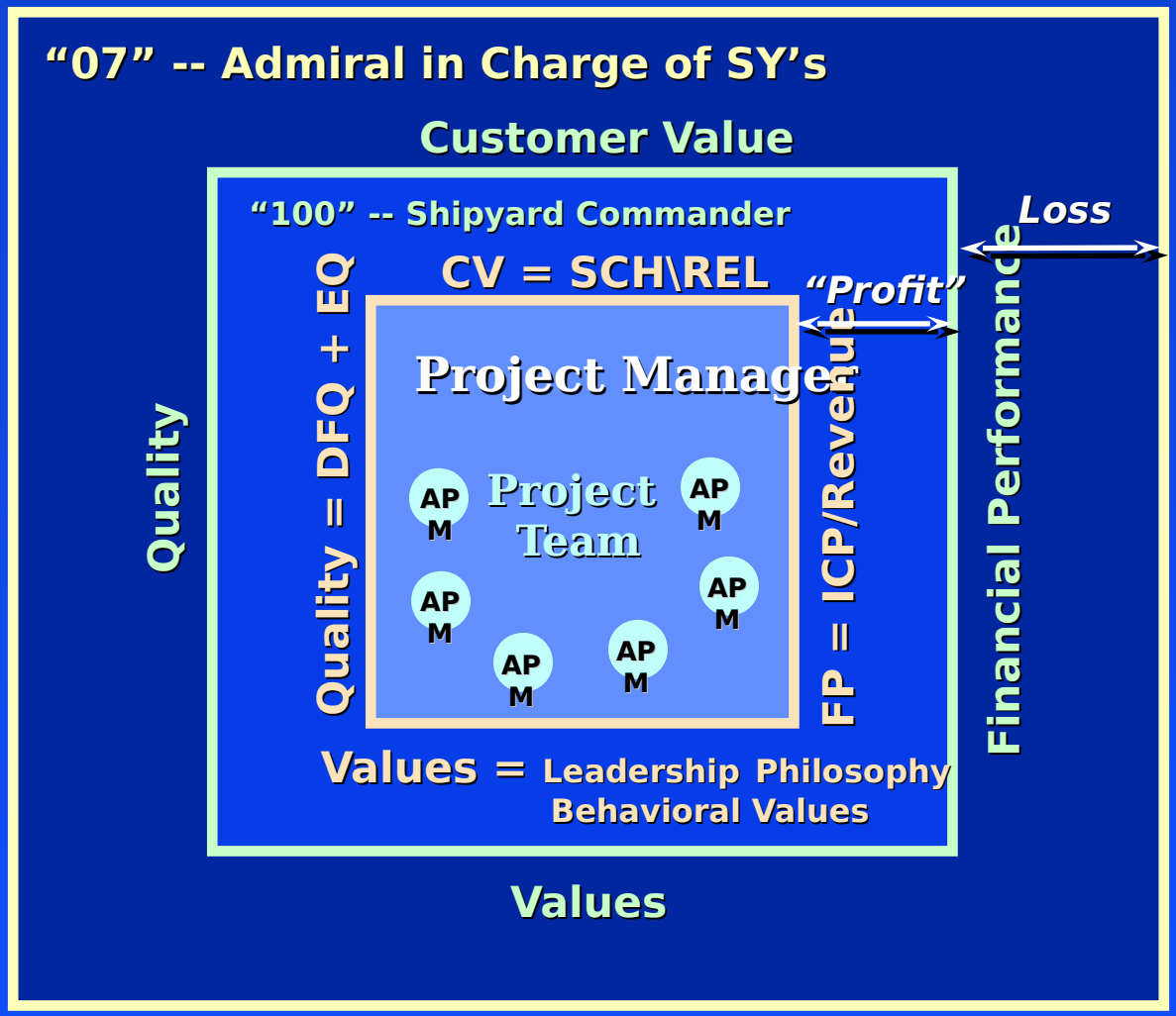
If the answers to these questions are "YES," don't ask permission;

JUST DO IT!

LEADERSHIP FUNCTIONS

Use of Vision / Values to Bound Empowerment

The Case of U.S. Navy Shipyards



Building High-Performance Organizations

Vision / Values to Strategy/Structure/Systems (moving from the "soft levers" to the "hard levers")

Environmental Scan | Strategic Customer Value Analysis | Market Analysis | Feasibility Review

Vision
- What is HP for us?
- How would we know?
  - Quality (product/service)
  - Customer Value
  - Financial Performance
- According to whom?

Strategic Plan

Mission (Niche)
- What's our "niche?" What are we -- in our organization/unit going to take responsibility for?
- Are we doing the right things for the right customers?
- Are we being effective?

"Theory of the Business"
- What do we need to do (i.e., what strategies, structures, and systems do we need) to accomplish our vision?
- Are we doing things

Operational Performance Plan
- What should we do first?
- What revenues/resources do we need to accomplish our action plan?

Action Plan
- Goals
- Objectives
- Priorities

Financial/ Resource Plan
- Revenues
- Budget
- H R Plan
- Facilities/ Equipment

Business Plan

Leadership
- Functions
- Philosophy
- Form

Values
- Why do we want to be HP?
- What's the higher moral purpose?
- How are we going to treat each other, our partners, and our customers?

Environment

Outcome/Results Review
- Performance indicators
- "Gap" analysis
- Corrective action plan

Implementation, Monitoring, Adjustment

LEADERSHIP FUNCTIONS

Vision / Values to Strategy/Structure/Systems
(moving from vision to performance and values to work culture)

Strategic/Business Planning In The HPO Model (From mission/niche to "Theory of the Business")

MISSION ("niche")

- What's our "niche?" What are we -- in our organization/unit -- going to take responsibility for? Which other organizations must we partner with to be successful?
- Are we doing the right things for the right customers?
- Are we being effective?
- H.P. Indicators:
  - "Design and Features" Quality
  - Customer "Value"
- Key Services and Product Analysis
  - Have we correctly identified the services and products we need to deliver?
- Strategic Customer Value Analysis
  - Have we correctly identified who our customers are and who they should be? Now and in the future?
  - Have we partnered with our customers to determine what they want/ need, now and in the future?
  - Do we understand the "food chain" vs "beneficiaries?"
- Environmental Scanning
- Market Analysis
- Feasibility Review

interaction

Strategic Planning

- Examination of Core Assump-tions/Paradigms
- Creativity/Creat-ive Thinking
- Casual Reasoning
- Systems Analysis and Thinking
- Core Compet-encies Analysis
- Best Practices Review
- Benchmarking
- Force Field Analysis

"THEORY OF THE BUSINESS"

What do we need to do (i.e., what strategies, structures, and systems do we need) to accomplish our vision?

- Are we doing things right? (right process/ done right?
- Are we being efficient?
- H.P. Indicators:
  - "Execution" Quality
  - Financial Performance
- Strategy

  Do we have the right "business" approach/casual model?
  - "Business Process Redesign" (BPR)
  - Reengineering/Reinvention
- Structure:

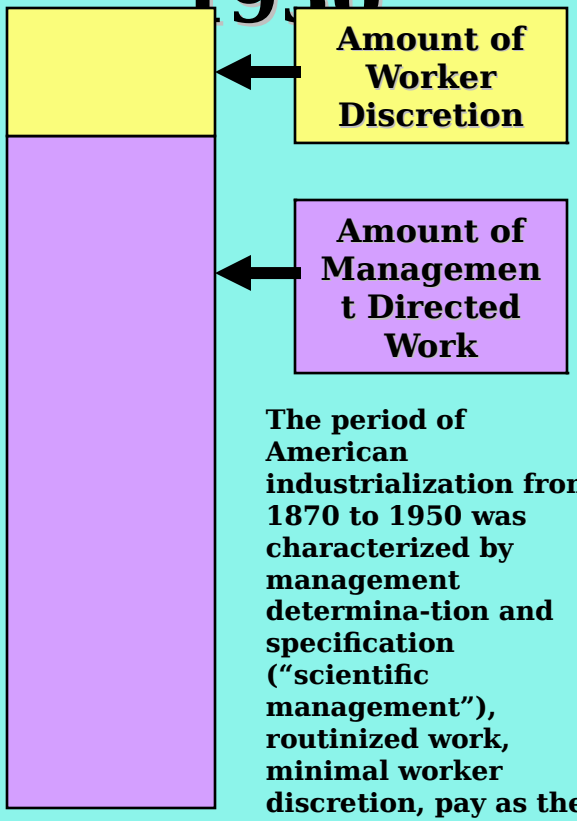
  Are we structured correctly?
  - Reductionist Approaches: (e.g.., business center" functional analysis/"chunking"
  - Integrating Approaches: (e.g.., matrix structure, project management, "partnering" with clients/others)
- Systems:

  Do we have systems which are aligned and supportive?
  - Right *work processes* (TQM/CPI)
  - Right *work management and*

LEADERSHIP FUNCTIONS

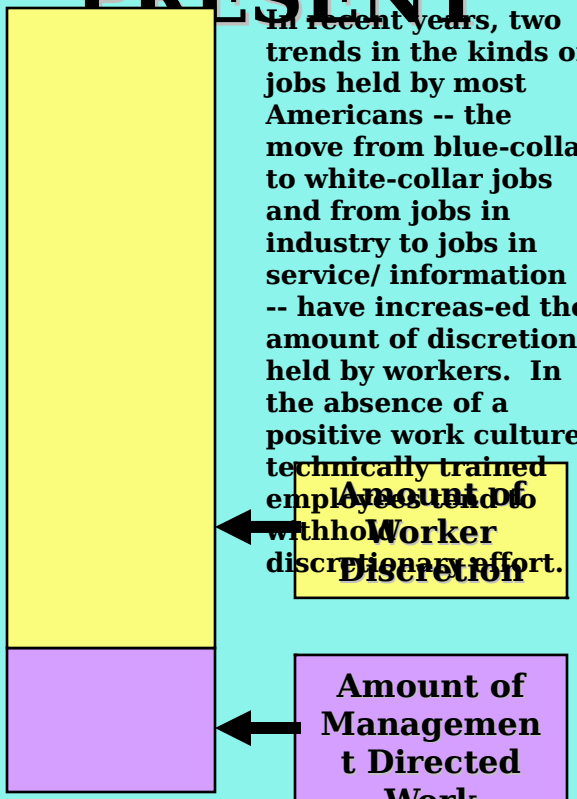
Discretionary Effort: The Importance of a Positive Work Culture

1870 - 1950



The period of American industrialization from 1870 to 1950 was characterized by management determina-tion and specification ("scientific management"), routinized work, minimal worker discretion, pay as the primary worker motiva-tor, and compensation tied to piecework.

1970 - PRESENT



In recent years, two trends in the kinds of jobs held by most Americans -- the move from blue-collar to white-collar jobs and from jobs in industry to jobs in service/ information -- have increas-ed the amount of discretion held by workers. In the absence of a positive work culture, technically trained employees tend to withhold discretionary effort.

LEADERSHIP FUNCTIONS

Suprasystems Integration / Stewardship

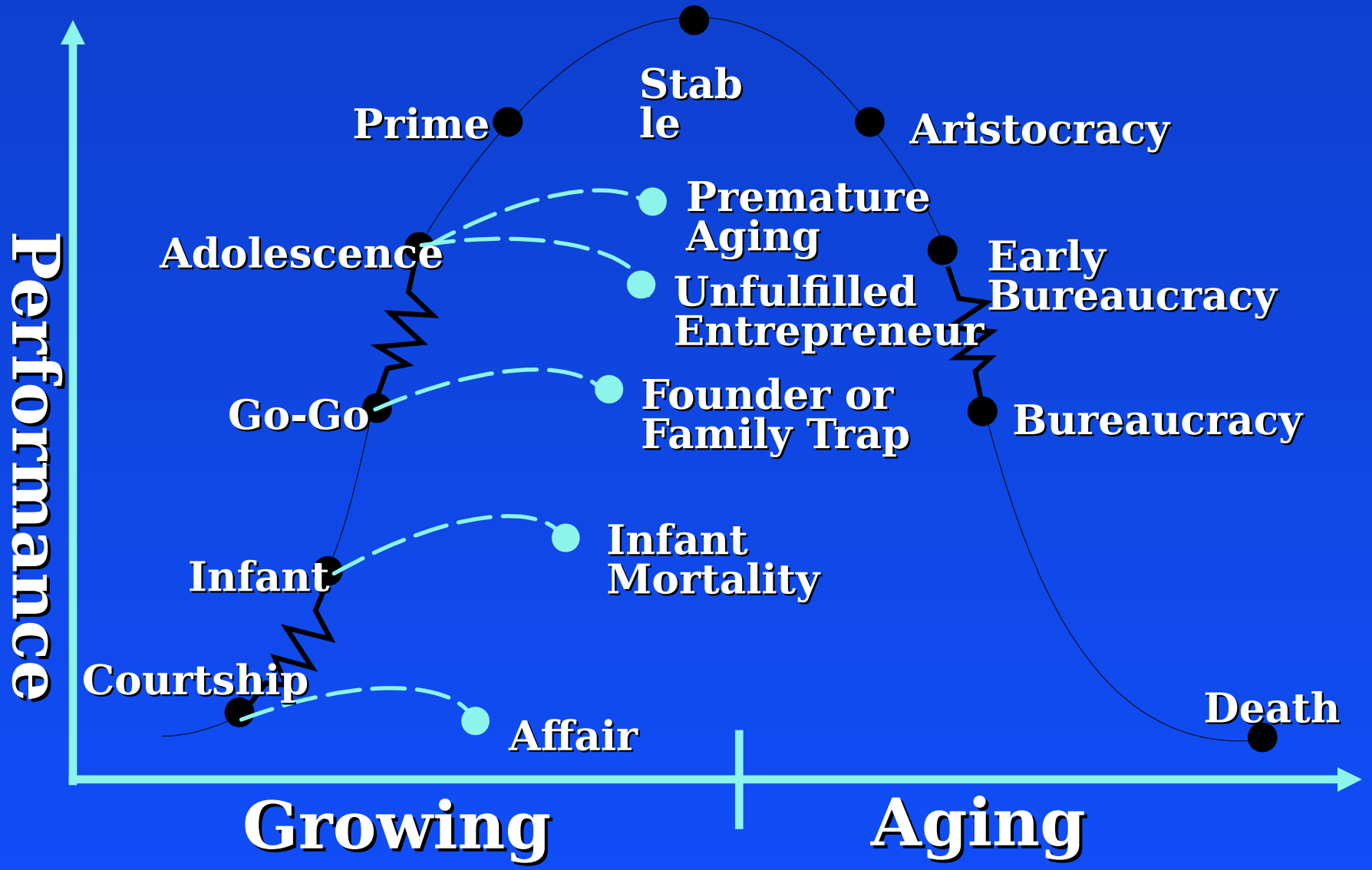
- Gluing the parts of the organization back together to accomplish the vision.
- Creation of mechanisms that align the parts to form an integrated whole.
- Requires ***stewardship***; acting above "turf" as an agent of the whole.

LEADERSHIP FUNCTIONS

Learning, Thinking, Changing, Renewing

- Personal learning, renewal, growth, and change; requires seeking and using feedback.
- Building a continuously learning and improving organization.
- Redesign, reengineering, and reinvention of key strategies, structures, and systems.
- Benchmarking and study of "best practices".

Renewing: Organizational Lifecycles



From: Ichak Adizes, Corporate Lifecycles: How and Why Corporations Grow and Die
and What to Do About It (Englewood Cliffs, NJ: Prentice Hall, 1988)

Renewing: Organizational Lifecycles

Entrepreneurial

- During this stage, an individual has an idea and sets up a small business
- As the business grows, friends, relatives and others join the company
- Motivation remains high
- However, if the busi-ness is to flourish, attention must be paid to planning, organization and basic administrative functions

Administrative

- During this stage, an executive is typically hired with strong organization and planning skills
- Systems and proce-dures are routinized and specific goals and objectives are established
- A key characteristic of this phase is that realistic risk-taking by subordinates is both encouraged and rewarded

Bureaucratic

- Organizations reach-ing this stage of development have become calcified
- Change is seen as a threat
- Procedure has tri-umphed over substance
- Employees are more concerned with their own comfort than with meeting the needs of their customers -- both internal and external
- Typically, cover-your-backside (CYA) practices

LEADERSHIP FUNCTIONS

Enabling, Empowering and Energizing

- Teaching, mentoring, and motivating.
- Providing knowledge, skills, and information required to make good decisions.
- Removing the barriers to empowerment; bureaucracy busting.

LEADERSHIP FUNCTIONS

The Importance of *Learning and Enabling* Before *Empowerment*

"If you empower dummies, you get bad decisions faster."

Rich Teerlink, CEO, Harley-Davidson, quoted in Fortune, August 22 1994, p. 20.

LEADERSHIP FUNCTIONS

Enabling, Empowering, and Bureaucracy Busting at GE

"It has become obvious over the past few years that people will in fact work more creatively and more productively if they are trusted and empowered, and if they know that what they are doing means something."

Jack F. Welch, Jr., Chairman and CEO, General Electric Company

LEADERSHIP FUNCTIONS

Enabling, Empowering, and Bureaucracy Busting at GE

"It's open season on bureaucracy, autocracy, and the waste and nonsense that grow in any large institution."

Jack F. Welch, Jr., Chairman and CEO, General Electric Company

LEADERSHIP FUNCTIONS

Enabling, Empowering, and Bureaucracy Busting at GE

"[We want to] wring out from the system unnecessary work such as meetings, reports, rules, and tasks. We take apart all manufacturing tasks and make them more productive."

Jack F. Welch, Jr., Chairman and CEO, General Electric Company

LEADERSHIP FUNCTIONS

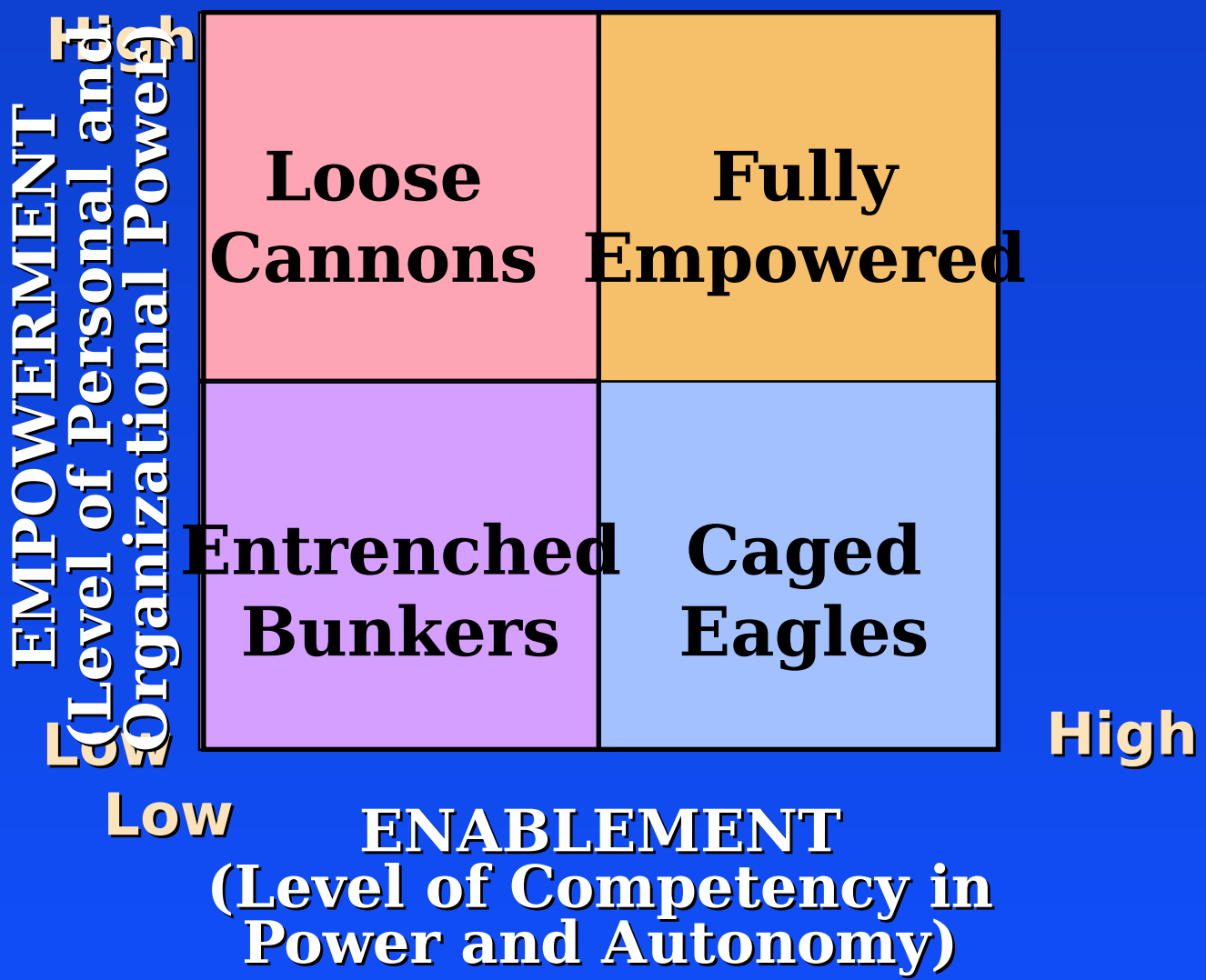
Enabling, Empowering, and Bureaucracy Busting at GE

"For 25 years, you've paid only for my hands when you could have had my brain for nothing."

Jack F. Welch, Jr., Chairman and CEO, General Electric Company

Building High-Performance Organizations

Enablement: The Key to Empowerment

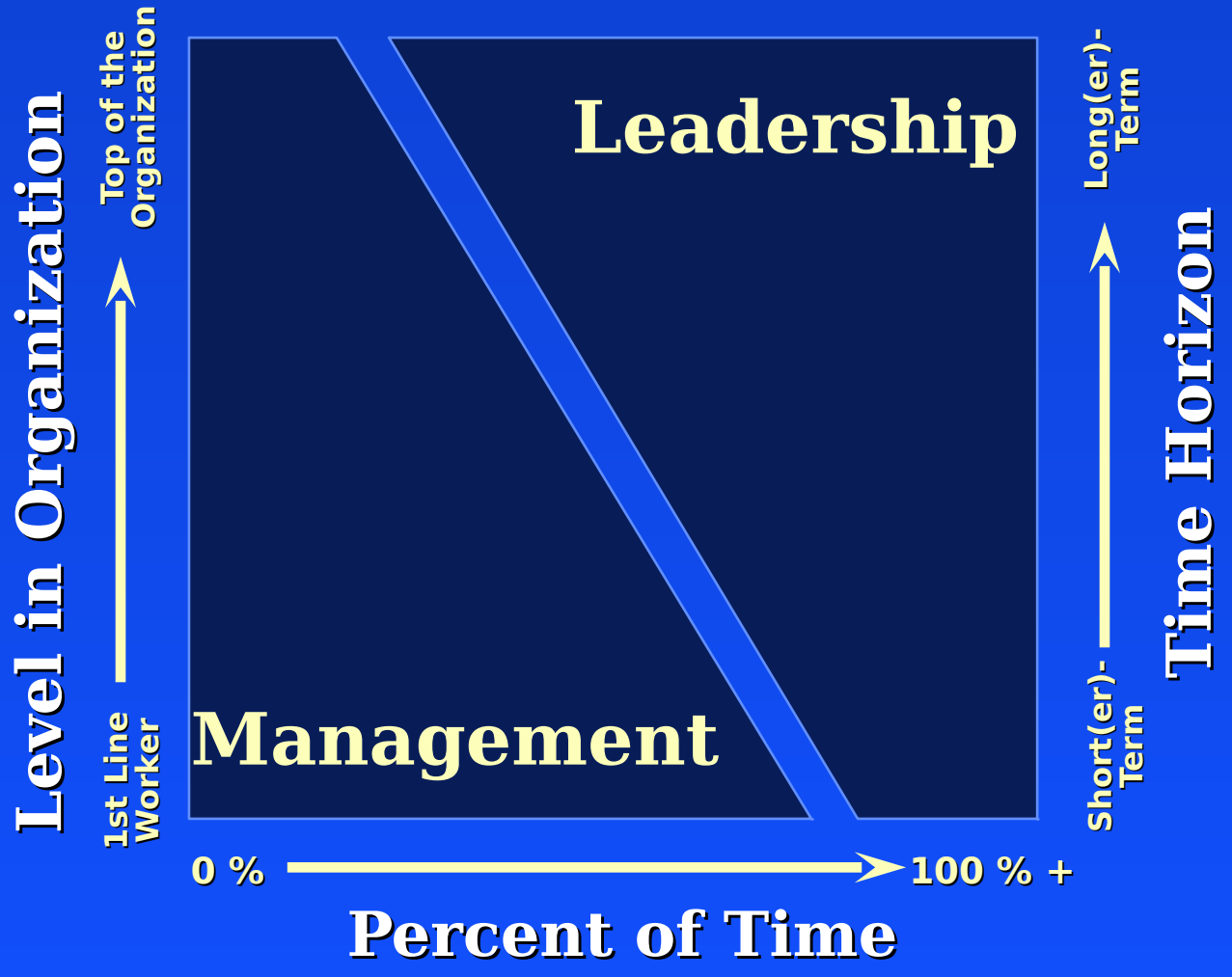


Robert Barner, "Enablement: The Key to Empowerment," Training & Development,
American Society for Training and Development (June 1994), p. 33.

LEADERSHIP FUNCTIONS

Leadership vs. Management

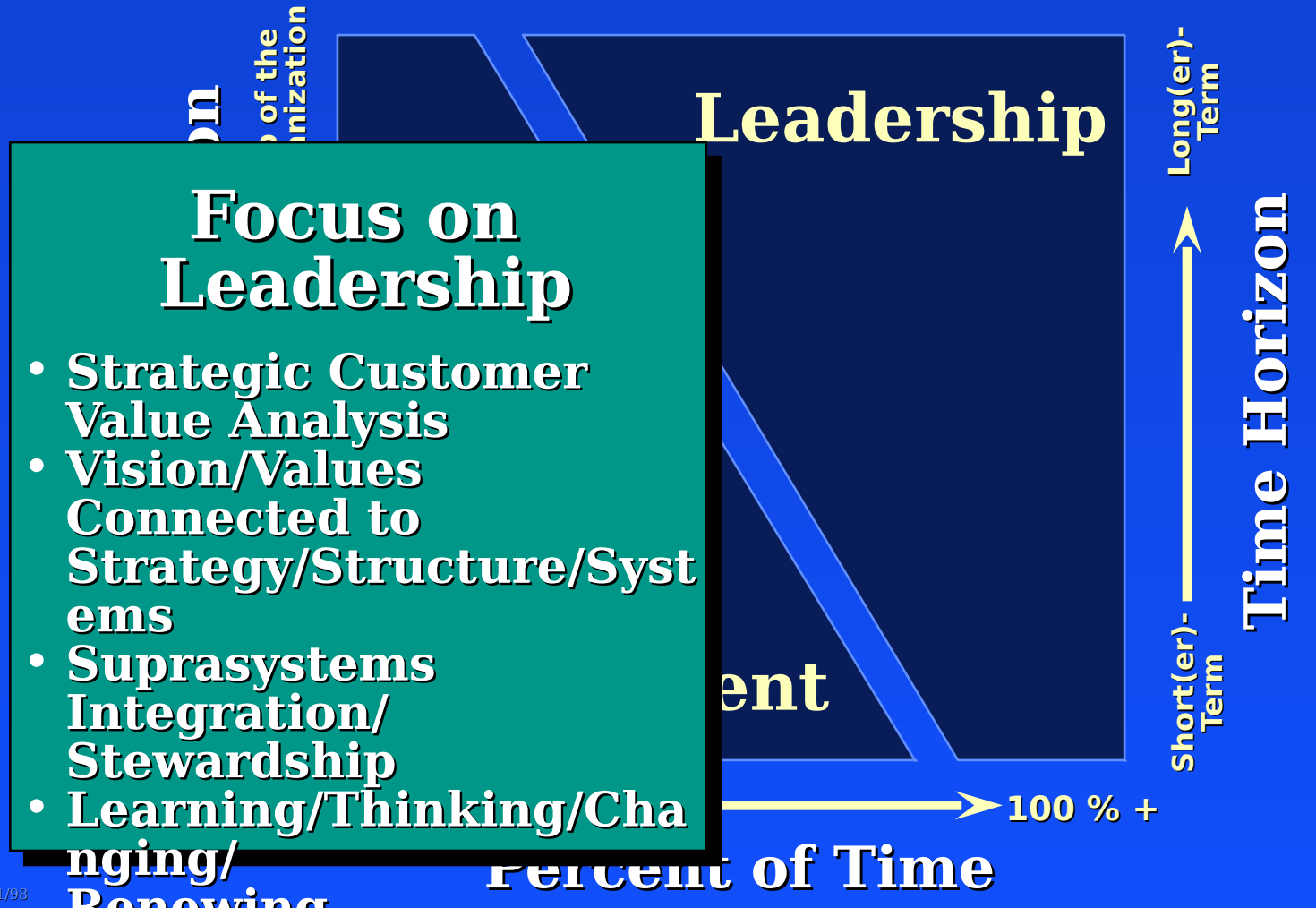
FOCUS OF ATTENTION



LEADERSHIP FUNCTIONS

Leadership vs. Management

FOCUS OF ATTENTION



Focus on Leadership

- Strategic Customer Value Analysis
- Vision/Values Connected to Strategy/Structure/Systems
- Suprasystems Integration/ Stewardship
- Learning/Thinking/Changing/ Renewing

LEADERSHIP FUNCTIONS

Leadership vs. Management

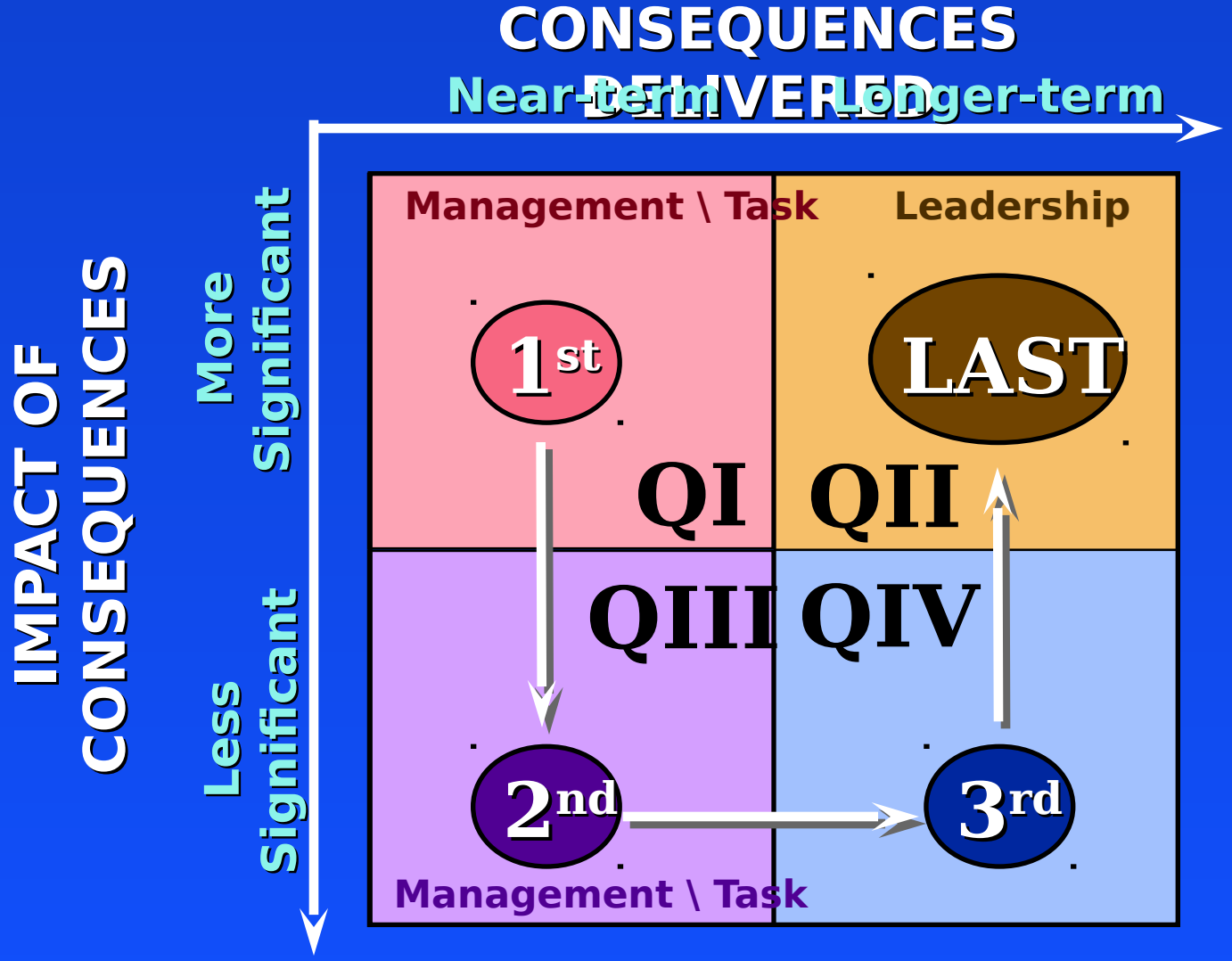
FOCUS C

Focus on Management

- Task Completion
- Crisis Management
- Causal Modeling/Systems Analysis
- Performance Planning
- Project Management and Execution
- People Development
- Plan Implementation, Monitoring, and Adjustment
- Outcome/Results Variance Analysis
- Open Communication

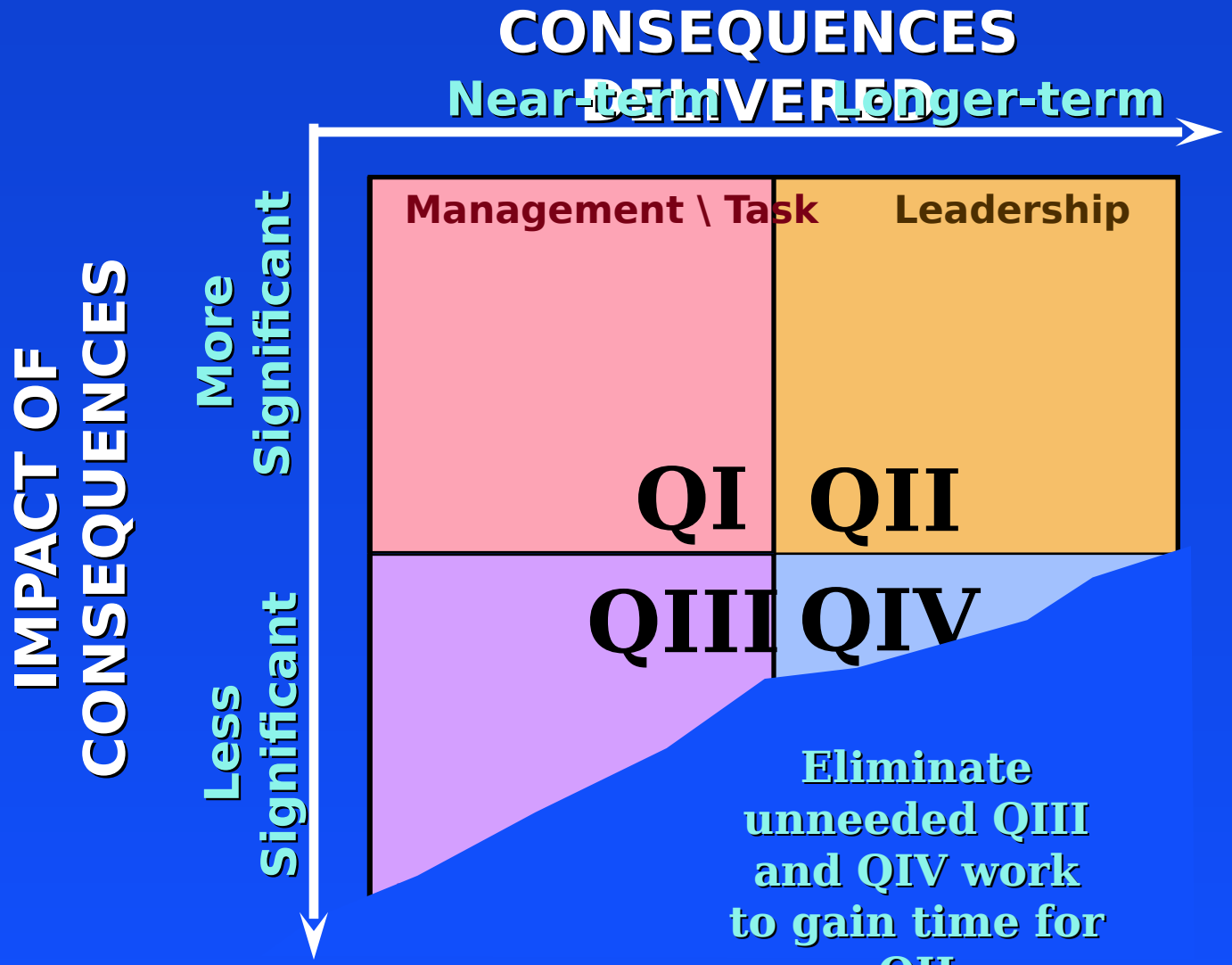
LEADERSHIP FUNCTIONS

Why Leadership Functions are not getting done in most organizations



LEADERSHIP FUNCTIONS

Why Leadership Functions are not getting done in most organizations



LEADERSHIP FUNCTIONS

Ten Essential Traits for the "New" Municipal Employee

In addition to having a baseline of expertise in their field -- whether it be human relations, engineering, or public relations -- municipal employees of the 21st Century will need these resources to succeed in the evolving municipal environment:

- **Change agent: ability to foster change and realize its benefits**
- **Customer service focus: assessing needs and responding to them quickly and efficiently**
- **Ability to understand the "business" of municipal government and how their job affects the bottom line**
- **Team player: understanding the value of shared resources and knowledge**
- **Open-mindedness: ability to move away from traditional systems**
- **Respect for diversity as an enriching organizational value**
- **Self-directed: ability to work with less supervision as organizations flatten**
- **Flexibility in juggling varying responsibilities**
- **Ability to manage stress**
- **Interpersonal skills: ability to work with diverse customers and employees at all levels of the organization.**

Katherine Jackson, "A New Casting Call for Human Resources: Competency-Based Solutions for Selection, Training, and Compensation," Virginia Town & City (March 1998), p. 7.